Project: Basalt Canyon Geothermal Pipeline Project
Proponent: Mammoth Pacific L.P.

Mammoth Pacific, L.P. (MPLP), proposes to construct, operate and maintain the Basalt Canyon Geothermal Pipeline Project (Project) on portions of Federal Geothermal Leases CA-11667 and CA-14408 on lands within the Inyo National Forest in Section 36 of Township 3 South, Range 27 East (T3S, R27E) and Sections 31 and 32 of T3S, R28E, Mount Diablo Baseline and Meridian (MDB&M) (see Figure 4).

The purpose of the project is to develop and produce geothermal fluid from Federal Geothermal Lease CA-14408 and deliver this fluid to the existing MPLP power plants located on private lands east of U.S. Highway 395 at Casa Diablo. These fluids are needed because the exisiting project wells are producing less and cooler geothermal fluid to the power plants than was the case during the first years of their operations (an expected outcome of any type of geothermal development). As a result, these two power plants currently produce less electrical energy than they were designed and permitted to produce. New replacement or "make-up" wells are needed to supply additional, hotter geothermal fluid to these power plants to increase their electrical output back up to the original design and operating capacity. The Basalt Canyon Geothermal Pipeline Project is designed to interconnect with, and supply this additional, hotter geothermal fluid to these power plants.

Five drill holes have been previously approved for the Basalt Canyon Geothermal exploration program (81-36, 12-31, 23-31, 35-31, 55-31). Two of these five drillholes will be constructed as geothermal wells. Drill hole 12-31 has been completed and a geothermal well is planned for this site (the pipeline would extend at least as far as this site). The other geothermal well be constructed depending on the results from the other four sites. The pipeline would connect the two geothermal wells with the geothermal power plants located on private lands at Casa Diablo. The Project would consist of the construction and operation of up to 1.8 miles (terminating at site 81-36) of nominal 16-inch diameter insulated, welded-steel pipe, which would be constructed above ground on low piers and underground where necessary to cross under existing roads.

The proposed route of the pipeline for transporting the hot geothermal fluid is shown in Figure 4. The precise alignment of the pipeline could vary slightly depending on final engineering and actual conditions encountered in the field. The pipeline is routed to pass by each of the five previously approved potential well sites which could supply geothermal fluid, although the pipeline would only be constructed from the western-most well to actually be connected to the pipeline. A maximum of 9,500 feet of production pipeline would be required to reach from the western-most well site (81-36) to the interconnection point with the existing power plant production pipelines.

From the west, the pipeline route first parallels Sawmill Road on the north side, the side of the road on which four of the five potential wells are located, so that only if well 35-31 were connected to the pipeline would a short spur pipeline be needed to cross under Sawmill Road. The pipeline would be placed about 10 to 15 feet off of the edge of Sawmill Road so that the existing vegetation between the road and the pipeline would help screen the view of the pipeline from the road.

Southeast of well site 35-31 the pipeline turns east, away from Sawmill Road and towards well site 55-31. In this area the route has been selected to avoid encroaching on any of the ephemeral riparian

conservation areas delineated by Inyo National Forest consistent with the direction of the Sierra Nevada Framework Plan. The route here also crosses under the existing Southern California Edison (SCE) transmission line in a manner and location which maintains SCE's existing access to the transmission line for any required maintenance.

Further east, in the vicinity of well site 55-31, the pipeline is routed through an area of vegetation mapped as Jeffrey Pine Forest where the pipeline would be hidden from view by the trees. To the extent possible, the pipeline alignment through this area will avoid existing trees. However, in those few instances were trees must be cleared, marketable logs will be disposed of according to specific instructions from the Inyo National Forest.

At the western edge of the Caltrans right-of-way (ROW) for U.S. Highway 395 the pipeline route turns southeast (between the ROW and the existing snow fence) so that the pipeline can cross under U.S. Highway 395 at right angles to the road bed and remain on federal lands. The pipeline route in this location is well below the level of the road bed of U.S. Highway 395 and the southbound exit ramp to California Route 203 and, thus, is hidden from the view of vehicles traveling on these roads. On the east side of the highway the pipeline route crosses under Antelope Springs Road, then parallels the east side of Antelope Springs Road southeast to Casa Diablo Cutoff Road, where it turns northeast and parallels Casa Diablo Cutoff Road to interconnect with the production well pipelines entering the power plants. All but approximately the last 400 feet of this pipeline route is located on public lands within the Inyo National Forest.

MPLP proposes to commence operations in the fall of 2003, or when all required permits are acquired.